

NOX	Annual	Annual	AD - HR	ERCOT - HR	SPP - HR
Jan-05	2005	2005			
Feb-05	2006	2006			
Mar-05	2007	2007			
Apr-05	2008	2008			
May-05	2009	2009			
Jun-05	2010	2010			
Jul-05	2011	2011			
Aug-05	2012	2012			
Sep-05	2013	2013			
Oct-05	2014	2014			
Nov-05	2015	2015			
Dec-05	2016	2016			
Jan-06	2017	2017			
Feb-06	2018	2018			
Mar-06	2019	2019			
Apr-06	2020	2020			
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Nov-20
Dec-20

On-P (HH) REV 1-05	PJM - AD		ERCOT South		SPP	
	On-Peak	Off-Peak	On-Peak	Off-Peak	On-Peak	Off-Peak
2005						
2006						
2007						
2008						
2009						
2010						
2011						
2012						
2013						
2014						
2015						
2016						
2017						
2018						
2019						
2020						

On-P (HH) REV 1-05	Coal		Med I-Basin		PRB 8800		PRB 8400	
	On-Peak	Off-Peak	On-Peak	Off-Peak	On-Peak	Off-Peak	On-Peak	Off-Peak
2005								
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Henry AD Hub Natural Gas PJM Class HSC Swing Service Adder SO2 NOX AD - HR ERCOT - F-SPP - HR

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	PEAK	SAT	SUN	NIGHT	WRAP	ATC
DATE	08/31/04	08/31/04	08/31/04	08/31/04	08/31/04	08/31/04
Jan-05						
Feb-05						
Mar-05						
Apr-05						
May-05						
Jun-05						
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Nov-05						
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Jan-06						
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Aug-06						
Sep-06						
Oct-06						
Nov-06						
Dec-06						
2006						

	PEAK	SAT	SUN	NIGHT
DATE	05/04/04	05/04/04	05/04/04	05/04/04
Jan-04				
Feb-04				
Mar-04				
Apr-04				
May-04				
Jun-04				
Jul-04				
Aug-04				
Sep-04				
Oct-04				
Nov-04				
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Kentucky Power Company

REQUEST

Please provide the Company's actual off-system sales revenues and off-system sales expenses for each month January 2004 through October 2005. Provide all assumptions, computations and work papers, including electronic spreadsheets with formulas intact underlying the computations of the expense amounts.

RESPONSE

See attached.

WITNESS: Errol K Wagner

Kentucky Power Company
 Off System Sales and Expenses
 January 2004 through June 2005

Line No.	Description	January 2004	February 2004	March 2004	April 2004	May 2004	June 2004	July 2004	August 2004	September 2004	October 2004	November 2004	December 2004	January 2005	February 2005	March 2005	April 2005	May 2005	June 2005	July 2005	August 2005	September 2005	October 2005
1	System Sales Revenues	+ 9,489,165	8,859,289	6,891,831	7,788,921	8,513,694	10,645,275	10,239,220	8,668,767	7,520,993	5,200,052	8,890,662	8,748,099	13,132,307	9,927,573	9,505,720	10,717,341	9,336,128	9,594,564	10,403,779	9,251,977	9,711,281	8,040,448
2	System Sales Expenses	- 6,516,271	5,672,804	5,201,240	5,003,928	5,694,921	5,747,369	6,170,888	5,797,103	5,598,129	5,132,931	7,270,008	6,753,841	8,539,824	6,866,387	8,540,878	6,387,028	5,427,101	6,056,765	7,193,130	6,467,017	6,452,786	5,400,669
	System Sales Profit Before Non-Associated Utilities	= 2,972,894	3,186,485	1,690,591	2,784,993	2,818,773	4,897,906	4,068,332	2,871,664	1,922,864	67,121	1,620,654	1,994,258	4,192,483	3,061,186	964,844	4,330,313	3,909,027	3,537,799	3,210,649	2,784,960	3,258,495	2,639,779
3	Monthly Environmental Costs	= 2,981,894	3,186,485	1,690,591	2,784,993	2,818,773	4,897,906	4,068,332	2,871,664	1,922,864	67,121	1,620,654	1,994,258	4,192,483	3,061,186	964,844	4,330,313	3,909,027	3,537,799	3,210,649	2,784,960	3,258,495	2,639,779
4	Non-Associated Utilities Monthly Environmental Costs	- 0	0	0	0	0	0	0	0	0	0	619,971	250,623	517,615	556,559	689,593	331,815	286,632	388,386	639,263	590,443	503,009	447,616
5	Subtotal	= 2,981,894	3,186,485	1,690,591	2,784,993	2,818,773	4,897,906	4,068,332	2,871,664	1,922,864	67,121	1,000,703	1,743,635	3,674,868	2,504,627	275,251	3,998,498	3,622,195	3,151,393	2,571,386	2,194,517	2,755,486	2,192,163
	Adjustment for PJM Purchase Power Accounts Not Considered in Prior Months Filings	- 0	0	0	0	0	0	0	0	0	0	0	0	0	664,515	664,515	664,516	0	0	0	0	0	0
6	System Sales Profit	= 2,981,894	3,186,485	1,690,591	2,784,993	2,818,773	4,897,906	4,068,332	2,871,664	1,922,864	67,121	1,000,703	1,743,635	3,674,868	1,840,112	(389,264)	3,333,982	3,622,195	3,151,393	2,571,386	2,194,517	2,755,486	2,192,163

Kentucky Power Company

REQUEST

Please provide a copy of the AEP East Interchange Power Statement and Related Data for each month January 2004 through October 2005.

RESPONSE

For the month of January 2004 to March 2005 please see the supplemental response to KPSC Case No. 2005-00068, KIUC 1st Set Data Request, Order Dated April 18, 2005, Item No. 6. Due to its voluminous nature, copies also may be reviewed at the offices of Stites & Harbison PLLC, 421 West Main Street, Frankfort, Kentucky 40601.

Please see the enclosed CD for a copy of the AEP East Interchange Power Statement and Related Data for the available months April 2005 to September 2005.

WITNESS: Errol K Wagner

Kentucky Power Company

REQUEST

Please provide a quantification of the allocation to the Company of AEP margins on the utilization of emission allowances used to supply AEP off-system sales included in the Company's revenue requirement quantification and identify the schedules and line numbers in the company's filing in which these margins were used to reduce the revenue requirement.

RESPONSE

The Company's share of the emission allowances margin (i.e., the difference between the monthly market price used in the AEP System's dispatch and each individual pool member's allowances inventory cost) is embedded in the Company's monthly off-system sales profit level.

It is implicitly built-in in the figures reported in Column 3, Section V, Workpaper S-4, Page 26. The pertinent flow of information can be traced in the monthly Interchange Power Statements submitted in response to KIUC-36. As an example, for the last month of the test year, June 2005, pg. 11, columns (3) and (6) of the Interchange Power Statement capture the differentials, for SO₂ and NO_x respectively, between market price and inventory costs (all shown in the Footnote). The sum of the two (\$11,929,479 + \$ 5,234,273= \$ 17,163,752) effectively reduces the cost of production for off-system sales by the same amount from \$98,336,680 (shown in Column 7) to \$ 81,172,928 (shown in Column 8). Thus, with the off-system sales revenue remaining the same, reducing the cost of emission allowances enhances the profit margin into which all five members of the pool, including the Company, participate based on their MLR share. The same configuration can be seen in each month's Interchange Power Statement of the test year.

WITNESS: Errol K Wagner

Kentucky Power Company

REQUEST

Please provide the Company's budgeted/projected off-system sales revenues, off-system sales expenses, and off-system sales margins for November 2005 through December 2006, including the most recent revisions or expectations. Provide all assumptions underlying the budgeted amounts and/or most recent revisions or expectations, data, computations, and work papers, including electronic spreadsheets with formulas intact in sufficient detail to understand the basis for and to replicate the Company's qualifications. Separately identify sales to other AEP utilities and to unaffiliated third parties and detail all allocations pursuant to the AEP Interconnection Agreement.

RESPONSE

C O N F I D E N T I A L

The requested information is confidential and the Company has requested confidential protection in the form of a Motion for Confidential Treatment.

WITNESS: Errol K Wagner

AEP SYSTEM – (EASTERN REGION)
KENTUCKY RATE CASE FORECAST FOR CP&B – 8/12/05
JULY 2005 – DECEMBER 2007

PROMOD IV INPUT ASSUMPTIONS

<u>Assumption</u>	<u>Data Used</u>
1) Availability:	
2) Peaks & Energies:	
A. AEP Internal:	
B. Buckeye:	
C. DSM:	
3) System Sales:	
4) Hourly Market Price Forecast:	
5) LMP Cluster Adder	

(Continued next page)

KPSC Case No. 2005-00341
KIUC 1st Set Data Requests
Item No. 38
Page 3 of 8

AEP SYSTEM – (EASTERN REGION)
KENTUCKY RATE CASE FORECAST FOR CP&B – 8/12/05
JULY 2005 – DECEMBER 2007

PROMOD IV INPUT ASSUMPTIONS

Assumption

Data Used

6) Purchases:

7) Fuel Costs:

(Continued next page)

AEP SYSTEM – (EASTERN REGION)
KENTUCKY RATE CASE FORECAST FOR CP&B – 8/12/05
JULY 2005 – DECEMBER 2007

PROMOD IV INPUT ASSUMPTIONS

<u>Assumption</u>	<u>Data Used</u>
8) Maintenance:	
9) Nuclear (Cook):	
10) Hydro-Electric	
11) O&M – Variable & Fixed and Fuel Handling:	
12) Heat Rates:	
13) Compliance Plan:	

(Continued next page)

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KIUC 1st Set Data Requests
Item No. 38
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AEP SYSTEM – (EASTERN REGION)
KENTUCKY RATE CASE FORECAST FOR CP&B – 8/12/05
JULY 2005 – DECEMBER 2007

PROMOD IV INPUT ASSUMPTIONS

<u>Assumption</u>	<u>Data Used</u>
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14) Expansion Plan:

15) New Unit Characteristics for Unit:

16) Unit Retirements:

(Continued next page)

AEP SYSTEM – (EASTERN REGION)
KENTUCKY RATE CASE FORECAST FOR CP&B – 8/12/05
JULY 2005 – DECEMBER 2007

PROMOD IV INPUT ASSUMPTIONS

<u>Assumption</u>	<u>Data Used</u>
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17) Capacity Re-Rates:

18) Minimum Load:

19) Unit Run Status:

(Continued next page)

AEP SYSTEM – (EASTERN REGION)
KENTUCKY RATE CASE FORECAST FOR CP&B – 8/12/05
JULY 2005 – DECEMBER 2007

PROMOD IV INPUT ASSUMPTIONS

<u>Assumption</u>	<u>Data Used</u>
20) Unit Characteristics – Robert P Mone	
21) Rockport Ownership:	
22) Demand Cost: (for CP&B Use Only)	
23) Member-Load-Ratio: (for CP&B Use Only)	

AEP Eastern Fleet

Table 1

Anticipated Capacity Changes Incorporated into Long-Range Planning

Unit / Amount / Timing

	Capacity Rating NDC (MW)	HP/1st RH Turbine ADSP Improvement 600-series (MW)	In- Service Date	HP/1st RH Turbine ADSP Improvement 800-series (12-MW)	In-Service Date	Main StopValve - MSV/CV Changeout (61-MW)	In-Service Date	FGD Derate (MW)	Net (MW) after FGD	In- Service Date	LPT Rotor Uprate 41 MW	In- Service Date
Amos 3												
Cardinal 1												
Cardinal 2												
Cook 1												
Gavin 1												
Gavin 2												
Mitchell 1												
Mitchell 2												
Mountaineer 1												
Stuart 3												
Stuart 4												

Source: FGD retrofit reductions, future turbine upgrades and main stop valve (MSV) per M. J. Mudd (3/18/05).
 Stuart Units 1-4 FGD in-service dates per M. E. Guerriero of DP&L, (6/23/05) maintenance schedule.

Kentucky Power Company

REQUEST

Refer to page 37 line 15 through page 38 line 1 of Mr. Wagner's Testimony. Please describe the Company's per books deferred fuel accounting for fuel adjustment clause over or under recoveries of fuel and purchased power expense.

RESPONSE

The Company defers from the month of generation to the month of recovery (two months later) the fuel cost which is expected to be recovered through the fuel adjustment clause mechanism. The deferred fuel cost for any given month is computed by applying the Fuel Adjustment Clause factor (the difference between actual fuel cost on a per kWh basis for any given month and the fuel cost on a per kWh basis included in the Company's rates) times the retail kWh sales.

WITNESS: Errol K Wagner

Kentucky Power Company

REQUEST

Refer to page 39 lines 8-21 of Mr. Wagner's Testimony. Please identify the units, the capacity of each unit, and the type of each unit, e.g. gas combined cycle, and the in-service dates of each unit that the Company projects will be added by CSP and APC.

RESPONSE

Page 2 of this response provides the capacity, unit type, fuel type, and acquisition dates of the CSP and APCo generation capacity additions discussed by Mr. Wagner on page 39 of his testimony.

WITNESS: Errol K. Wagner

**AEP System - East Zone
Actual and Projected Capacity Additions for 2005 & 2006**

Units	Operating Company	Capability - MW			Unit Type	Fuel	In-Service Date
		Winter	Summer	Annual Avg.			
Waterford 1-3	CSP	852	805	830	Combined Cycle	Natural Gas	Acquired 09/28/05
Ceredo 1-6	APCo	516	458	481	Combustion Turbine	Natural Gas	Projected to be Acquired by 01/01/06

Kentucky Power Company

REQUEST

Refer to page 39 lines 8-21 of Mr. Wagner's Testimony. Please identify the units, the capacity of each unit, and the retirement date of each unit that the Company projects will be retired by the AEP System.

RESPONSE

On page 39, lines 15-16, of his testimony, Mr. Wagner is referring to the projected December 31, 2005 retirement of CSP's Conesville Units 1&2 (125 MW each).

WITNESS: Errol K Wagner

Kentucky Power Company

REQUEST

Refer to page 39 lines 8-21 of Mr. Wagner's Testimony. Please provide a copy of all planning documents that AEP relied on to determine its need for building or otherwise acquiring the specific unit additions indicated for CSP and APC.

RESPONSE

C O N F I D E N T I A L

The requested information is confidential and the Company has requested confidential protection in the form of a Motion for Confidential Treatment.

WITNESS: Errol K Wagner





Spring 2005 Integrated Resource Plan



Spring 2005 Integrated Resource Plan



Spring 2005 Integrated Resource Plan



Spring 2005 Integrated Resource Plan



Spring 2005 Integrated Resource Plan











Spring 2005 Integrated Resource Plan



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